Philip Morris USA

Shelin - million 200 **Implications**

WEEKLY UPDATE IMPLICATIONS August 29, 1994

• PM-USA and Marlboro performances are consistent across Shipment, Nielsen and Consumer Tracking and remain near record levels.

• PM share is on a slight downward trend, Marlboro growth has slowed and competitive promotional activity remains high.

Marlboro 5-pack T-shirt building at retail
 Most performance benchmarks remain favorable:

\$pack prices and B&H benchmarks are unfavorable.

Shipments

• PM-USA shipments are 3.6 billion above QTD projection.

• PM Third Qtr. volume is expected to be more than 4.0 billion units above 2RF budget.

Weekly PM volume is higher than going rate due to stronger consumer take-away.
All competitors' shipments except Lorillard are near norm and expectation.

American and B&W are trending upward.

• Inflated Lorillard Premium volume possibly tied to pipeline in preparation for Harley Davidson autumn national retail launch.

Retail Trends

• 99¢ pricing incidence declined to near lower end of YTD range (15%).

Doral remains most widely available brand at the lowest and 99¢ price points.

Promotional incidence remains high with emphasis shifting to different promotion types.

- PM shifting to Marlboro incentives (T-shirt w/ 5 pack offer), free product Marlboro Menthol and Cambridge offers.
- RJR growth expected to continue.
 - RJR's IRC expansion on major brands (Winston, Camel, Doral) is consistent with reported second half '94 plans.
 - Doral Box launch in September in California Doral's fastest growing region (5), highly developed Box and Marlboro area.
- Discount category trend continued to decline despite heightened promotional activity.

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Source: https://www.industrydocuments.ucsf.edu/docs/hjvk0004